REMARKS/ARGUMENTS

The Examiner is thanked for the clarity of the previous Office Action, and for the citation of references, which have been studied with interest and care.

This Amendment is in response to the Office Action mailed May 12, 2005.

In the Office Action, claims 1-34 stand rejected under 35 U.S.C. § 103.

Applicant has amended independent claims 1 and 19 to further clarify embodiments of the invention.

Reconsideration in light of the amendments and remarks made herein is respectfully requested.

Rejection Under 35 U.S.C. § 103

Claims 1-34 stand rejected under 35 U.S.C. § 103 as being allegedly obvious over U.S. Patent No. 5,925,127 issued to Ahmad (hereinafter Ahmad) or U.S. Patent No. 5,638,513 issued to Ananda (hereinafter Ananda) in view of U.S. Patent No. 5,825,883 issued to Archibald et al. (hereinafter Archibald).

Applicants respectfully traverse the Office Action's §103 obviousness rejections in their entirety, in light of the following remarks. As stated in MPEP §2141.03:

A prima facie obviousness rejection requires the three basic criteria be met. First, there must be some teaching, suggestion, or motivation, either in the references of themselves, or in the knowledge generally available to one skilled in the art, to modify the reference or to combine the references. Second, there must be some reasonable expectation of success. Finally, the prior art reference, or references when combined, <u>must teach all the claim limitations</u>. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, <u>and not based on the Applicant's disclosure</u>, MPEP §2141.03. (Emphasis added).

MPEP §2141.03 further warns that impermissible hindsight must be avoided.

Furthermore, with regards to obviousness, as aptly stated by the Federal Circuit in *In re Kotzab*, 55 U.S.P.Q.2D (BNA) 1313, 1316-1317 (Fed. Cir. 2000):

Most if not all inventions arise from a combination of old elements. Thus every element of a claimed invention may often be found in the prior art. However, identification in the prior art of each individual part claimed is insufficient to defeat patentability of the whole claimed invention. Rather, to establish obviousness based on a combination of the elements disclosed in the prior art, there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant. (Emphasis added).

Also, as stated in the MPEP, "[i]t is improper to combine references where the references teach away from their combination." MPEP § 2145 (emphasis added).

To begin with, Applicant has amended independent claims 1 and 19 to include the limitations of canceled dependent claims 7 and 25, respectively.

These claims generally relate to a system and method for electronic commerce transactions that provide for tracking the usage of rented digital assets over a computer network.

As an example, amended independent claim 1 relates to a system comprising: a server including an asset database to store a digital asset, a title of the digital asset, and a server usage count for the digital asset...a computing device coupled to the server over the computer network in which the computing device stores a rented digital asset downloaded from the server and an asset usage count list that includes a title of the rented digital asset and a usage count indicating the amount of usage of the rented digital asset by the computing device...a security device coupled to the computing device...the security device storing a unique identifier associated with the security device and a user key associated with the unique identifier...the server including a user information database storing a plurality of registered unique identifiers and a plurality of user keys in which the server requests the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device and if the security device is identified by the server, allowing the computing device to be associated with a user's data in the user information database ... wherein the server: uploads the asset usage count list from the computing device, matches the title of the rented digital asset

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from the asset usage count list of the computing device with the title of the digital asset in the asset database, and adds the usage count from the asset usage count list of the computing device to the server usage count for the digital asset in the asset database of the server.

Applicant respectfully submits that the previous Office Action's assertions of what Archibald allegedly teaches or suggests are inaccurate and that the combination of Ahmad, Ananda, and Archibald does not teach or suggest the claim limitations of rewritten independent claims 1 and 19 (formally dependent claims 7 and 25, respectively).

Therefore, Applicant respectfully submits that a prima facie case of obviousness has not been met.

In the Office Action, the Office Action held that the difference between Arnhad, Ananda and Applicant's original independent claims was that Amhad and Ananda did not teach the uploading of usage data. The Office Action held that Archibald allegedly shows the uploading of usage data from a user to a server database in a software rental environment and that it would have been obvious to a person having ordinary skill in this art to provide a similar arrangement for Ahmad or Ananda because usage uploads are conventional functional equivalents of the claim limitations in order to pay for rental use of digital assets. (Office Action, pages 2-3).

The Office Action further held that Archibald allegedly teaches a security device coupled to a computing device in which the security device stores a unique identifier associated with the security device and a user key associated with the unique identifier...the server including a user information database storing a plurality of registered unique identifiers and a plurality of user keys in which the server requests the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device and if the security device is identified by the server, the server allows the computing device to log onto the server.

Applicant respectfully traverses this rejection. Particularly, Applicant respectfully submits that Archibald does not teach or suggest these limitations.

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To begin with, the invention disclosed in Archibald is very different from Applicant's claimed invention. Particularly, Archibald relates to: "imbedding a tariff file within the digital application where a digital application may be a software application, a video file, a text file, and/or an image file... The imbedded tariff file, which includes a digital application identification code and a publisher identification code, is used by a meter module to generate accounting information... The accounting message is routed to a collection agency, which, in turn, generates debiting information for the user and crediting information for the publishers of the digital application." (Abstract, emphasis added).

As set forth in column 4 of Archibald, the communication system 10 of Archibald includes three major components: consumers (e.g. computer 28), digital application providers 36, 38, and a digital application use monitor - such as a collection agency 35. The collection agency 35 collects account information from a meter module 26 affiliated with a consumer and digital application information from publishers to generate debiting information for the consumers and credit information for the publishers.

In order to accomplish this, as set forth in column 6, lines 49-59, the meter module 26 generates usage information or an accounting message 58...In general, the accounting message 58 will include the user information, i.e., the user ID or the user account number...application information, i.e., the application ID 80, the publisher ID 82, and the authority ID 90; and user information, i.e., length of use ...The accounting message 58 is then routed to the collection agency 35 which, in turn, generates debiting information 62 and credit information 64...The debiting information is routed to the computer 28 or the financial institution for the computer user 72.

The Examiner cites column 11, lines 5-20 as allegedly teaching Applicant's claim limitations related to a security device coupled to the computing device in which the security device stores a unique identifier associated with the security device and a user key associated with the unique identifier... The server including a user information database storing a plurality of registry unique identifiers and a plurality of user keys in which the server requests a unique identifier and proof of knowledge of the user key when a computing device attempts to log on to

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the server in order to identify the security device, and if the security device is identified by the server, allowing the computing device to be associated with a user's data in the user information database.

In contrast, column 5, lines 5-20 state:

In general, the processor 240 receives digital application information 266 (i.e., the digital application ID, the publisher ID, and, if applicable, an encryption key) via interface 250...The processor 240 processes the digital application information along with information stored in usage memory 244 to generate the usage account message 262, which is subsequently routed to an authority 264 via an interface 248...The information stored in the usage memory 244 includes a user ID, a meter module ID, authority ID, and a consumption ID which may be stored in an account buffer 268...The usage memory 244 may also include a payment file 270 which would include similar information to that described in the databases of FIG. 3 and may also contain a payment history for each user...As previously mentioned, the digital application and digital application 266 may be encrypted.

As set forth above, <u>all of the identifiers</u> relate to digital application information 266 of the digital file such as the digital application ID, publisher ID, etc. There is <u>absolutely no teaching</u> or suggestion of a unique identifier associated with a security device and a user key associated with the unique identifier.

Moreover, there is absolutely no teaching or suggestion of a server that includes a user information database that stores a plurality of registered unique identifiers and a plurality of user keys in which the server requests the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device, and if the security device is identified by the server, allowing the computing device to be associated with a user's data in the user information database.

These limitations are simply not taught or suggested by Archibald.

Further, it should be noted that the collection agency 35 of Archibald only includes information related to application IDs, price, amount of time used, amount owed, etc.

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There is absolutely no teaching or suggestion of a server that includes a user information database that stores a plurality of registered unique identifiers and a plurality of user keys in which the server requests the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device. These limitation are quite simply not taught or suggested.

The only mention of identifiers and keys as cited by the Office Action in Archibald is related to the digital application information itself. As Archibald explicitly states: "The digital application and digital application information 266 may be encrypted." (Column 11, lines 19-20). There is absolutely no teaching or suggestion of the use of a security device having a user identifier and a user key and a server that stores a database of user identifiers and user keys for identification and authorization purposes.

Also, it should be noted, that Applicant's amended independent claims 1 and 19 set forth that the computing device stores a rented digital asset downloaded from the server in which the server includes an asset database that stores digital assets and a title of a digital asset. This is in stark contrast to Archibald which teaches a collection agency 35 that is separate from digital libraries 36, 38, etc. which store the digital applications or files.

As set forth in Archibald in column 3, lines 37-53, Archibald states: "Generally, the present invention provides a method and apparatus that accounts for usage of digital applications...Such a method and apparatus is not concerned with the distribution channels in which a digital application is obtained, but monitors when the digital application is invoked for usage...At this time, the method and apparatus of the present invention begin to generate accounting information for this particular usage of the digital application...As the usage continues, the accounting information accrues and when the use of a digital application is completed, the accrued accounting information is routed to an authority...The authority then determines debiting information for the user and crediting information for the legal distributor of the digital application (i.e. the publisher)...Thus, by switching the focus of compensation for distribution sales to compensation based on use, the present method and apparatus renders the

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manner in which the software is obtained irrelevant, including obtaining the software via piracy." (Emphasis added).

Thus, Archibald teaches that digital assets or applications are stored and delivered separately from an authority that separately monitors the usage of digital applications.

Accordingly, Archibald teaches away from Applicant's claims that includes a server having an asset database to store a digital asset, a title of the digital asset, and a server usage count for the digital asset, in which the digital asset is downloaded from the server itself to a computing device and stored as a rented digital asset. Therefore, Archibald actually teaches away from Applicant's claimed invention and cannot be utilized as a valid reference.

As set forth above, Applicant respectfully submits that Archibald does not teach or suggest Applicant's amended independent claims 1 and 19, and, in fact, teaches away from Applicant's amended independent claims 1 and 19. Therefore, Applicant respectfully submits that amended independent claims 1 and 19 should be allowed and passed to issuance, as well as the dependent claims therefrom.

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Conclusion

In view of the remarks made above, it is respectfully submitted that pending claims 1-5, 8-23, and 26-34 define the subject invention over the prior art of record. Thus, Applicant respectfully submits that all the pending claims are in condition for allowance, and such action is earnestly solicited at the earliest possible date. The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application. To the extent necessary, a petition for an extension of time under 37 C.F.R. is hereby made. Please charge any shortage in fees in connection with the filing of this paper, including extension of time fees, to Deposit Account 02-2666 and please credit any excess fees to such account.

Respectfully submitted,

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Dated: 8/10/2005

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